

REMARKS

I. Introduction

Pursuant to 37 C.F.R. § 1.136(a), applicants hereby petition for a one-month extension of time to respond to the Office Action dated July 2, 2003. With the extension, a response is due on or before November 3, 2003. A check in the amount of \$110.00, in payment of the fee required under 37 C.F.R. § 1.17(a)(1), is enclosed herewith. The Director is hereby authorized to charge any additional fees that may be due, or to credit overpayment of same, to Deposit Account No. 06-1075. A duplicate copy of this Reply is enclosed herewith.

Claims 1-46 are pending.

Claims 1, 16, 35, and 40 were rejected under 35 U.S.C. § 112 for failing to define enablement for the invention.

Claims 1-46 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Stallaert, U.S. Patent No. 6,035,287 ("Stallaert"), in view of Reuters.com ("Reuters"), in further view of Bowers, Successful Investing with Fidelity Funds ("Bowers"), "the Stallaert-Reuters-Bowers Combination."

These rejections are respectfully traversed.

II. Applicants' Reply to the Rejections Under § 112

Claims 1, 16, 35, and 40 were rejected under 35 U.S.C. § 112 for failing to define enablement for the invention. It is well settled, however, that an examiner making an enablement rejection under § 112 bears the initial burden of establishing a reasonable basis for questioning the enablement provided by a claim. See In re

Wright 999 F.2d 1557, 1562 (Fed. Cir. 1993); see also MPEP § 2164.04. Instead of providing a reasonable explanation as to why the scope of protection provided by applicants' claims 1, 16, 35, and 40 is not adequately enabled, the Examiner simply concludes that "[i]ndependent claims 1, 16, 35, and 40 fail to define enablement for the invention." See page 3 of the Office Action.

Because the Examiner failed to identify a specific reason for characterizing the claims as indefinite other than that they allegedly fail to define enablement for the invention, applicants respectfully submit that the claims are definite and that the rejections under § 112 should be withdrawn.

III. Applicants' Reply to the Rejections Under § 103(a)

Claims 1-46 were rejected under 35 U.S.C. § 103(a) as being unpatentable over the Stallaert-Reuters-Bowers Combination. Applicants respectfully submit, however, that for the reasons set forth in detail below, the Examiner has failed to establish a *prima facie* case of obviousness and that the § 103 rejection should therefore be withdrawn. See MPEP §§ 2142 and 2143.

A. Claims 1-15

Applicants' claims 1-15 generally relate to methods for electronic trading. Independent claim 1 recites "receiving gathered orders from a trader" and "determining whether the trader qualifies for an incentive for submitting the gathered orders in substantially real time as the gathered orders are received." An incentive is provided to the trader based on this determination.

Stallaert, on the other hand, simply relates to systems and methods for allowing market participants to exchange bundles of assets (e.g., block order trading). See abstract. In Stallaert, a "data processing system operates continuously to find matches [for block orders] in real time." See column 2, lines 49-51. As block orders are entered in Stallaert, "the data processing system matches trades among the plurality of all bundles" by assigning a numerical value to each block order, and then matching trades "when the market surplus for each asset to be exchanged is non-negative." See column 3, lines 1-24. Stallaert's method for exchanging block orders is illustrated in the flow chart of FIG. 9 and the related text at column 15, line 60 - column 16, line 28, which shows that non-cancelled block orders may qualify to be matched against one another and that an actual trader may not even be required to participate in the exchange (e.g., a purely electronic marketplace may be implemented, wherein trades are entered by an automated trading program). However, although Stallaert generally discloses qualifying **an order** to be traded as a block order (e.g., by determining whether the block order has been cancelled), Stallaert fails to show or suggest "determining whether the **trader** qualifies for an incentive" as specified by applicants' claim 1.

The Examiner also relies on Reuters and Bowers in rejecting applicants' claim 1. However, both Reuters and Bowers, taken alone or in combination, fail to compensate for this deficiency in Stallaert. Reuters simply lists various generic electronic trading features, for example Internet-based currency exchanges and block trading (page 1), global block order management (pages 2 and 4),

and real-time and historical pricing information (page 4). Bowers merely shows that exchanging block orders reduces the transaction costs of trading because of economies of scale. See page 5 of Bowers. Indeed, both Reuters and Bowers fail to show or suggest "determining whether [a] **trader** qualifies for an incentive" as specified by applicants' claim 1.

Nevertheless, the Office Action indicates that it would have been obvious to modify Stallaert with Reuters and Bowers "to teach applicants' invention" (e.g., "to teach electronic block online trading which possesses economies of scale and saves transaction costs"). See page 3 of the Office Action. The Office Action fails to indicate, however, where and how this combination of references shows or suggests "determining whether the trader qualifies for an incentive" as specified by applicants' claim 1. Indeed, applicants' claim 1 relates to more than just "electronic block online trading" as the Office Action suggests. See page 3 of the Office Action. Applicants' claim 1 relates to methods for encouraging traders to place more block trades and thereby increase market liquidity by providing traders with incentives.

Applicants respectfully submit, therefore, that the Office Action fails to establish a *prima facie* case of obviousness because the references, whether taken alone or in combination, fail to show or suggest all elements of applicants' claims. See MPEP § 2142 ("The examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness"); see also MPEP § 2143.03 ("To establish *prima facie* obviousness of a claimed invention, all claim limitations must be taught or suggested by the prior art"). For at least this reason, applicants

respectfully submit that independent claim 1 is patentable over the Stallaert-Reuters-Bowers Combination. Dependent claims 2-15 are therefore also patentable. Applicants respectfully request that the § 103 rejections of claims 1-15 be withdrawn.

B. Claims 16-32

Applicants' claims 16-32 generally relate to methods for electronic trading. Independent claim 16 recites "receiving orders from a trader" and "determining substantially in real time whether the trader qualifies for an incentive for making a market associated with the orders received." An incentive is provided to the trader based on this determination.

As discussed above, Stallaert generally relates to bundled asset trading and discloses qualifying **an order** to be traded as a block order (e.g., by determining whether the block order has been cancelled). However, Stallaert fails to show or suggest "determining substantially in real time whether **the trader** qualifies for an incentive for making a market" as specified by applicants' claim 16. Nothing in Reuters, Bowers, or their combination compensates for this deficiency in Stallaert.

Nevertheless, the Office Action indicates that it would have been obvious to modify Stallaert with Reuters and Bowers "to teach applicants' invention" (e.g., "to teach electronic block online trading which possesses economies of scale and saves transaction costs"). See page 3 of the Office Action. The Office Action fails to indicate, however, where and how this combination of references shows or suggests "determining substantially in real time whether the trader qualifies for an incentive for

making a market" as specified by applicants' claim 16. Indeed, applicants' claim 16 relates to more than just "electronic block online trading" as the Office Action suggests. See page 3 of the Office Action. Applicants' claim 16 relates to methods for encouraging traders to place more trades and increase market liquidity by offering incentives to traders.

Applicants respectfully submit, therefore, that the Office Action fails to establish a *prima facie* case of obviousness because the references, whether taken alone or in combination, fail to show or suggest all elements of applicants' claims. See MPEP §§ 2142 and 2143.03. For at least this reasons, applicants respectfully submit that independent claim 16 is patentable over the Stallaert-Reuters-Bowers Combination. Dependent claims 17-32 are therefore also patentable. Applicants respectfully request that the § 103 rejections of claims 16-32 be withdrawn.

C. Claims 33-39

Applicants' claims 33-39 generally relate to methods for electronic trading. Independent claim 33 recites "determining whether an order qualifies as a block order" and "determining whether any delineators apply to the order." Claim 33 also specifies "applying a delineator to the order" and "prohibiting the order from not being traded as a block." As set forth in applicants specification, delineators may be applied to a block order to control the price range, size range, time components, etc. of the order. (See, for example, page 17, lines 20-25 of applicants specification).

As discussed above, Stallaert generally relates to systems and methods for bundled asset trading.

Stallaert discloses qualifying an order to be traded as a block order (e.g., by determining whether the block order has been cancelled). Stallaert also shows that orders with similar attributes (e.g., delineators) may be matched. However, Stallaert fails to show or suggest applicants approach for "determining whether any delineators apply to [a block] order ... applying a delineator to the [block] order ... and prohibiting the order from not being traded as a block" as specified by applicants' claim 33. Both Reuters and Bowers, taken alone or in combination, fail to compensate for these deficiencies in Stallaert.

Nevertheless, the Office Action indicates that it would have been obvious to modify Stallaert with Reuters and Bowers "to teach applicants' invention" (e.g., "to teach electronic block online trading which possesses economies of scale and saves transaction costs"). See page 3 of the Office Action. The Office Action fails to indicate, however, where and how this combination of references shows or suggests "determining whether any delineators apply to [an] order ... applying a delineator to the order ... prohibiting the order from not being traded as a block" as specified by applicants' claim 33. Indeed, applicants' claim 33 relates to more than just "electronic block online trading" as the Office Action suggests. See page 3 of the Office Action. Applicants' claim 33 relates to methods for encouraging traders to place more trades and increase market liquidity by requiring that certain orders be traded in a block.

Applicants respectfully submit, therefore, that the Office Action fails to establish a *prima facie* case of obviousness because the references, whether taken alone or in combination, fail to show or suggest all elements of

applicants' claims. See MPEP §§ 2142 and 2143.03. For at least this reason, applicants respectfully submit that independent claim 33 is patentable over the Stallaert-Reuters-Bowers Combination. Dependent claims 34-39 are therefore also patentable. Applicants respectfully request that the § 103 rejections of claims 33-39 be withdrawn.

D. Claims 40-46

Applicants' claims 40-46 generally relate to methods for electronic trading. Independent claim 40 recites "receiving an order from a trader" and "determining whether the order can be traded in a linked auction." Claim 40 also specifies "forming the linked auction for the order" and "linking the linked auction to a main auction."

As discussed above, Stallaert generally relates to systems and methods for bundled asset trading. However, Staellert does not even refer to linking auctions and does not show or suggest "determining whether the order can be traded in a linked auction ... forming the linked auction for the order ... and linking the linked auction to a main auction" as specified by applicants claim 40. Nothing in Reuters or Bowers compensates for this deficiency in Staellert. Although Reuters broadly discloses that electronic trading systems may include connectivity to linked foreign exchange markets (pages 2 and 12) and network-based institutional trading (pages 3 and 12), Reuters still fails to show or suggest "**determining** whether [an] order can be traded in a linked auction ... **forming** the linked auction for the order ... and **linking** the linked auction to a main auction" as specified by applicants' claim 40.

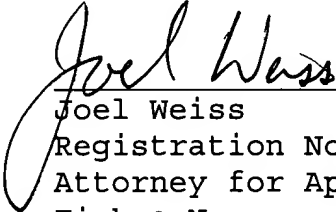
Nevertheless, the Office Action indicates that it would have been obvious to modify Stallaert with Reuters and Bowers "to teach applicants' invention" (e.g., "to teach electronic block online trading which possesses economies of scale and saves transaction costs"). See page 3 of the Office Action. The Office Action fails to indicate, however, where and how this combination of references shows or suggests "determining whether [an] order can be traded in a linked auction ... **forming** the linked auction for the order ... and linking the linked auction to a main auction" as specified by applicants' claim 40. Indeed, applicants' claim 40 relates to more than just "electronic block online trading" as the Office Action suggests. See page 3 of the Office Action. Applicants' claims relate to methods for encouraging traders to place more trades and increase market liquidity by providing access to linked auctions.

Applicants respectfully submit, therefore, that the Office Action fails to establish a *prima facie* case of obviousness because the references, whether taken alone or in combination, fail to show or suggest all elements of applicants' claims. See MPEP §§ 2142 and 2143.03. For at least this reason, applicants respectfully submit that independent claim 40 is patentable over the Stallaert-Reuters-Bowers Combination. Dependent claims 41-46 are therefore also patentable. Applicants respectfully request that the § 103 rejections of claims 40-46 be withdrawn.

VI. Conclusion

The foregoing demonstrates that applicants' claims 1-46 are allowable. This application is therefore in condition for allowance. Reconsideration and allowance of this application are respectfully requested.

Respectfully Submitted,



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